



**VicSuper**

Part of Aware Super

# Employer Super Resource Guide

2021/22





# Welcome to our Employer Super Resource Guide

We're here to help you stay on top of your super obligations and help your employees improve their financial wellbeing and build a better financial future.

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# 1 VicSuper and Aware Super together



Doing well and doing good for members, employers and communities.

We're the super fund for those who value more than just financial success. The fund for community minded people who see no reason to sacrifice integrity for performance, or vice versa.

We've made our members a promise: to do well for them by doing good for all. A bold promise we find new ways to keep every day.

## Benefits for members and employers

As part of Aware Super, we are now Australia's second largest super fund. Under one name, we have the scale and skill to do well for members and do good in their communities, our industry and the economy. Although the fund has changed, the VicSuper brand will continue to sit alongside Aware Super as the VicSuper division of Aware Super, and we will continue to provide members and employers with the same level of service they have come to expect from us.

## Taking responsibility for the difference we can make

Our members work in roles that breathe life into their communities. They expect us to do the same - redefining what super can be and do for members and the wider community.

That's why, as a profit for member fund, we are committed to delivering sustainable long-term returns that empowers members to do well financially from investments that make a positive social and environmental impact.

Aware Super and VicSuper manage over \$150 billion in savings on behalf of more than 1.1 million Australians (as at 21 July 2021).

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# 2 Our services

## How we work for you

We're here to help you meet your super obligations with personalised support, when you need it.

Our dedicated employer relations team are committed to making it easier for you to administer super with our wide range of tools and support.

And we're here for any questions your employees may have about their super, so you can get on with your business.



### Service that makes a difference

We work side by side with you to help identify and deliver real benefits to your employees



### In-house administration team

to assist you with your administration



### Regular newsletters and updates

to keep you up-to-date with super changes and your obligations

## 3 Guidance, education & advice for your employees

### Super support and advice for your employees

With our lifetime learning philosophy we aim to add value to our employers businesses and their employees through ongoing workplace support and education.



#### Employee on-boarding and inductions

We'll provide you with a welcome kit, including choice of super form, insurance guide and information about us for each new employee, so they can make an informed decision about their super. We can attend your induction days to assist your new employees with their super options.



#### Workplace workshops and one-on-one support

We offer your employees convenient workplace access to a one-on-one session with a dedicated education specialist to help them keep their super on track. If your employees contact you with questions about super, salary sacrifice or other super related issues, you can simply refer them to us.



#### Workplace education programs

We offer a range of education programs designed to help build your employees' financial wellbeing and help complement your employee benefits program.

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### Our advice offering and advice fees for members

We provide members with a range of quality super advice options that can make a genuine difference to their future.

Our members have access to simple superannuation advice at no extra cost and more comprehensive advice options on a fee-for-service basis on various topics including Centrelink entitlements and income streams, redundancy, super consolidation, specialist aged care, insurance and estate planning.

As a profit-to-member fund, we're here to help guide our members to a better future.



For more information on our advice offering, go to [vicsuper.com.au/advice](https://vicsuper.com.au/advice)



**Let's help your employees achieve better outcomes for their future.**

Members can call us on **1300 366 216** or visit [vicsuper.com.au](https://vicsuper.com.au)

## 4 Employer obligations

### Choice of Fund

Where employers are required to provide their employees a choice of superannuation fund, a standard choice form must be provided to the employee within 28 days of commencing employment.

#### MySuper and the employer default fund

All employers are required to have a default fund which must offer an APRA approved 'MySuper' product such as the Growth (MySuper) option through VicSuper FutureSaver. Employers should make payments to the nominated default fund until such time as the employee makes a choice.

In June 2021, the Australian Government passed new superannuation legislation in

Parliament – Your Future, Your Super, that will change the way Australians start a superannuation account through their employer when they start a new job. To learn more head to **vicsuper.com.au**.

New employees will need to complete a standard choice form in order for their contributions to be paid to their nominated super fund.

Incomplete forms should not be accepted and will need to be returned to the employee for completion.

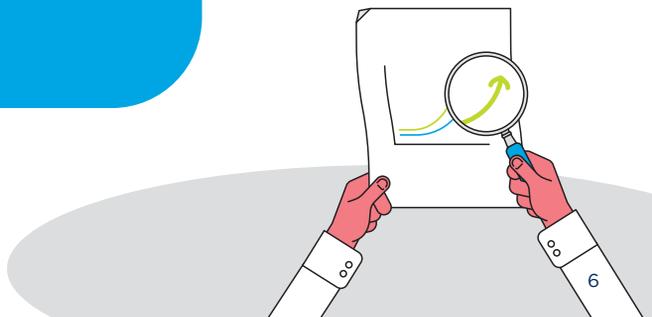
The latest Superannuation (super) *Standard Choice Form* can be downloaded from the VicSuper website for default employers or the ATO website for all other employers.

Alternatively, you can request a copy by calling **1300 878 737**.

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### Standard choice form details

Fund name:	Aware Super
Superannuation product name:	VicSuper FutureSaver
USI:	53226460365011
Fund ABN:	53 226 460 365
Trustee:	Aware Super Pty Ltd
Member numbers:	Employees can refer to their Benefit Statement, welcome letter or call our Member Centre.
Phone number:	<b>1300 366 216</b>
Website:	<b>vicsuper.com.au</b>



## Superannuation Guarantee (SG)

You must use Ordinary Time Earnings (OTE) to calculate SG contributions for your employees.

This is irrespective of any awards that your employees are employed under that may have a different earnings base.

Calculate SG with this formula:

SG contribution = OTE x SG contribution rate (10%)



OTE is the total of your employee's earnings in respect of:

- ordinary hours of work
- over-award payments, shift loading, commissions and bonuses
- payments for leave taken.

OTE does not include any payments relating to overtime, payments for leave upon termination or reimbursement of expenses.

You are also not required to pay SG on parental and eligible community service leave (such as jury service).

The maximum contribution base in 2021/22 is \$58,920 per quarter. If an employee earns above that limit for each quarter, you do not have to make contributions for the part of their earnings over the limit. However, you can or may be required to make super contributions above 10% of the OTE amount, which are treated as additional employer contributions. For more information on OTE, visit the ATO's law website at [ato.gov.au/law](http://ato.gov.au/law) and enter 'SGR 2009/2' in the search box.

### Exclusions for SG contributions

There are occasions when you are not required to pay SG for your employees. The most common examples are if your employee is:

- paid less than \$450 (before-tax) per calendar month
- under age 18 and working 30 hours or less per week.

### Impact of the Federal Budget 2021

The information in this guide may be impacted by measures announced in the May 2021 Federal Budget, some of which have not been passed at the time of publication.



Visit [vicsuper.com.au](http://vicsuper.com.au) for more information.

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## Quarterly SG contribution payment dates 2021/2022



SG contributions are required to be paid to a complying super fund at least every quarter.

If the due date for payment falls on a weekend or public holiday, the ATO grants a concession to make the payment by the next business day.

If you miss a quarterly due date, you may be liable for the SG charge. For more information please refer to the ATO website [ato.gov.au](http://ato.gov.au)

You can make payments more regularly than quarterly (fortnightly or monthly) as long as your total SG obligation for the quarter is paid by the due date.

SG quarter	Due date for payment of SG
1 July – 30 September	<b>28 October</b>
1 October – 31 December	<b>28 January</b>
1 January – 31 March	<b>28 April</b>
1 April – 30 June	<b>28 July</b>

Note: Contributions received by the Fund after 30 June will not be shown on your employee's Benefit Statement for that financial year.

Superannuation Guarantee (SG)	SG rate
Financial year 2021/2022	<b>10%</b>

Under Government legislation, the SG rate will continue to increase by 0.5% each year, up to 12% on 1 July 2025.

## 5 Superannuation: the basics

### Before-tax superannuation contributions

Your employees can make or receive the contributions listed in the following tables (caps apply, see page 12). If you have employees who are ESSSuper members, they can join VicSuper FutureSaver to make salary sacrifice and personal contributions in addition to defined benefit employer contributions paid into ESSSuper.

**Before-tax (concessional) contributions** – These contributions are calculated on your employee's before-tax salary

Type of contribution	Description	Maximum age that an employee can receive contributions
Superannuation Guarantee (SG)	Currently 10% of Ordinary Time Earnings (OTE) See page 7 for details	N/A
Additional employer contributions	Contributions above the SG rate (per award or agreement)	Up to age 75* unless a higher age limit is stipulated in award or agreement
Salary sacrifice	Contributions in addition to SG by agreement with your employee	Up to age 75*

\* Employees aged between 67 and 75 must generally satisfy the work test or work test exemption in each financial year for the Fund to be able accept these types of contributions. The information in this guide may be impacted by the proposed measure announced in the May 2021 Federal Budget, some of which have not been passed at the time of publication. Visit [vicsuper.com.au](http://vicsuper.com.au) for more information.

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### After-tax superannuation contributions

**After-tax (non-concessional) contributions** – These contributions are paid from your employee's after-tax salary

Type of contribution	Description	Maximum age that an employee can receive contributions
Personal contributions	Additional regular or once-off payments for which a tax deduction is not claimed by the employee	Up to age 75*
Eligible spouse contributions	Paid by a member's spouse on their behalf; cannot be made through payroll	Up to age 75* for the receiving spouse

\* Employees aged between 67 and 75 must generally satisfy the work test or work test exemption in each financial year for the Fund to be able accept these types of contributions. The information in this guide may be impacted by the proposed measure announced in the May 2021 Federal Budget, some of which have not been passed at the time of publication. Visit [vicsuper.com.au](http://vicsuper.com.au) for more information.

## Government co-contribution

Employees who make after-tax personal contributions into their super account may be eligible for a government co-contribution of up to \$500 pa.

To be eligible for the government co-contribution for the 2021/22 financial year, they need to:

- earn less than \$56,112 pa (assessable income plus total reportable super contributions and reportable fringe benefits)
- make a personal contribution between 1 July 2021 and 30 June 2022
- earn at least 10% of their gross total income from operating a business or as an employee or both
- not be the holder of a temporary visa at any time during the financial year (unless they are a New Zealand citizen)
- be less than age 71 at the end of the financial year
- lodge an income tax return for the financial year.
- have a total superannuation balance less than the general transfer balance cap at the end of 30 June of the previous financial year
- not have contributed more than your non-concessional (after-tax) contributions cap in the 2021/22 financial year.

The maximum co-contribution reduces for every dollar of income over \$41,112 pa, phasing out completely if their total income exceeds \$56,112 pa.

The ATO will match information from your employees' tax returns with information provided by the Fund to determine eligibility.

If eligible, the co-contribution will be paid into your employees' super account during the 2022/23 financial year (usually from December) and will be preserved until they meet a condition of release.

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## Contribution caps

Contributions made into super on behalf of employees under age 75\* are 100% tax deductible to employers (except for SG payments made after the quarterly due dates).

This table summarises the contribution caps which apply to before-tax (also known as concessional) and after-tax (also known as non-concessional) contributions. These caps have tax implications for super fund members (ie your employees) based on the date the contribution was received by the fund.

	Types of contributions	2021/22 contributions cap
Before-tax contributions	Superannuation Guarantee (SG)	\$27,500 pa**
	Additional employer contributions	
	Salary sacrifice	
	SG received via the ATO	
	Personal deductible contributions	
After-tax contributions	Personal contributions	\$110,000 pa or if employee is under age 67, \$330,000 over three years^
	Eligible spouse contributions	
Others	Rollovers	Not counted towards the contribution caps
	Government co-contribution	
	Low income super tax offset (LISTO)	

^ Subject to conditions

\* Contributions made into super on behalf of employees age 75 and over are deductible to the extent the contribution is mandated under SG legislation or an award or agreement.

\*\*You may be able to carry forward your unused concessional contributions cap amounts up to 5 years and also may be able to utilise any prior year unused cap to contribute above this limit (if available).

## Before-tax contributions

Before-tax (often called concessional) contributions generally include SG contributions, any salary sacrifice contributions and personal deductible contributions. The annual concessional contributions cap applies across all super accounts an employee may have.

These contributions are taxed at a low rate of 15%, however for individuals who have an adjusted taxable income of \$250,000 or over, these are generally taxed at 30%.

Any before-tax contributions over the cap are taxed at your employee's marginal rate less 15% tax offset.

SG and salary sacrifice contributions received from multiple employers will count towards the annual concessional contributions cap, as will any bonus payments that your

employees may decide to salary sacrifice. Before-tax contributions and 'notional employer contributions' to defined benefit funds will also count towards the concessional contributions cap.

This would need to be factored into any salary sacrifice considerations as the concessional contributions cap will apply to both types.

Please note that special rules may apply to defined benefit employees.

If a super fund does not have your employee's TFN, before-tax contributions will generally be taxed at the top marginal tax rate plus the Medicare levy.

### Personal deductible contributions

All members (including employees and self-employed) may be able to claim a tax deduction for their personal contributions, subject to age, work test and other conditions.

If these personal contributions are claimed as a tax deduction, they are treated as before-tax contributions.

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## After-tax contributions

After-tax (often called non-concessional) contributions include contributions made through payroll from an employee's after-tax salary.

Employees under 67 at any time during the financial year may be able to use the 'bring forward' rule to make up to three years' worth of contributions in a single year. Their total super balance will need to be below \$1.48 million as at the end of 30 June of the previous financial year to contribute up to the full \$330,000; or between \$1.48 million to \$1.59 million to contribute up to \$220,000. For a total super balance between \$1.59 million to \$1.7 million, there is no bring-forward period

and the annual after-tax contribution cap of \$110,000 applies. If they triggered the bring forward rules in the previous two financial years, they will be limited to the caps applying at that time.

If an employee's total super balance on 30 June of the previous financial year is equal to or exceeds the general transfer balance cap, currently \$1.7 million, then their after-tax contributions cap will be nil for the financial year.

There may be tax implications if your employees exceed the cap.

It's the employee's responsibility to manage cap balances. If an employee queries this, advise them to seek financial advice.

 Please note your employee's TFN must be provided for a super fund to accept after-tax contributions.

## Tax on superannuation

### Tax on entry and investment earnings

When contributing into super, before-tax contributions are generally taxed at the concessional rate of 15%.

Individuals with an adjusted taxable income over \$250,000 pa generally have their before-tax contributions taxed at an effective rate of 30%. These include SG, additional employer and salary sacrifice contributions.

After-tax contributions are tax-free.

Investment returns in super are only taxed up to a maximum of 15%.

Additional tax may apply if your employee's TFN is not provided. You are required by legislation to pass on your employee's TFN to their super fund.

### Tax on withdrawals

Withdrawals from super are tax-free from age 60\*. The taxable component of withdrawals made before age 60 may be subject to tax.

Tax components	Tax treatment 2021/22
Tax-free component	No tax payable
Taxable component - taxed element Under preservation age	20% plus Medicare levy
Preservation age to 59 - up to \$225,000 - above \$225,000	No tax payable 15% plus Medicare levy
Age 60 and over	No tax payable (provided the lump sum is withdrawn from a taxed superannuation fund)

\* Subject to satisfying a condition of release.

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## Marginal tax rates

This table shows the individual marginal rate thresholds and tax rates for the 2021/22 financial year.

Income level	Marginal tax rate	Tax payable
\$18,200 and below	<b>Nil</b>	Nil
\$18,201 to \$45,000	<b>19%</b>	19c for each \$1 over \$18,200
\$45,001 to \$120,000	<b>32.5%</b>	\$5,092 plus 32.5¢ for each \$1 over \$45,000
\$120,001 to \$180,000	<b>37%</b>	\$29,467 + 37¢ for each \$1 over \$120,000
\$180,001 and over	<b>45%</b>	\$51,667 + 45¢ for each \$1 over \$180,000

**Note:** Medicare levy of 2% is generally payable in addition to the rates above.



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## 6 Contribution and payment obligations

We require all contribution payments to comply with SuperStream legislation.

Under SuperStream legislation employers are required to:

- make contribution payments electronically
- include mandatory SuperStream data required to manage your employees records.

We provide three payment options for you to make contributions direct to us on behalf of your employees:

- user-initiated direct debit
- Electronic Funds Transfer (EFT)
- BPAY® for employers.



You can use our clearing house<sup>^</sup> to facilitate all electronic contribution payments.



### Need more information?

For more information about our clearing house<sup>^</sup> contact us on **1300 878 737**.

<sup>^</sup> The clearing house is provided by SuperChoice Services Pty Limited (ACN 109 509 739), Authorised Representative (Number 336522) of PayClear Services Pty Limited (ACN 124 852 320) holder of Australian Financial Services Licence Number 314357. The Superchoice Product Disclosure Statement (PDS) will be provided by SuperChoice at the time of registration. You should consider the PDS before deciding to accept any offer made by PayClear Services to issue the product.

## Data requirements

It's important to keep your employees contact details up to date so they receive important information from us. With more members accessing our services online and moving to electronic statements, we're finding the best way to communicate with members is via email.



To help us keep in touch with our members, we'll need:

- full name
- residential address
- Tax File Number (TFN)
- personal or mobile phone number
- personal email address.



The easiest way to provide this information to us is in your contribution submission via our clearing house.

# 7 We're here to help

## Your dedicated employer support team

Our dedicated team are here to make super easier for you and your business with our in-house administration team to provide support when you need it.

### Get in touch



**1300 878 737**

Mon-Fri 9:00am - 5:00pm

### Need more information?

Visit [vicsuper.com.au/employers](https://vicsuper.com.au/employers) for information on everything that you need to know.



### Forms and publications

Here's where you'll find useful forms and guides to assist you with administering your super obligations.

Visit [vicsuper.com.au/employerforms](https://vicsuper.com.au/employerforms)

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